

**County of San Luis Obispo – General Services**

**Job Order Contracting  
Pre-Bid Conference  
NON - MANDATORY**

**FOR**

**PROJECT NUMBER : PJOC13**  
**JOB ORDER CONTRACT**  
**GENERAL CONSTRUCTION “B” LICENSE**

**MAY 2013**



# Agenda

- **Part I: The Job Order Contracting (JOC) Program**
  - a Introduction
  - a Explanation of the JOC Concept
  - a County of San Luis Obispo - JOC Program
- **Part II: Analyzing the Bid Process**
  - a Construction Task Catalog® (CTC)
  - a Analyzing the CTC
  - a Adjustment Factor Considerations
  - a Expected Events and Rewards
  - a Bidding Information



# Part I: Job Order Contracting



# Introduction

- County of San Luis Obispo, General Services Has Advertised a **(1) General** Construction JOC Contract under a solicitation for Contract # PJOC13
- Work Will Be Issued Under the Job Order Contract, in the form of “Job Orders”
- Work Will Be Administered Through General Services
  - SLO County Representative

É Mark Wilwand at 805-781-5210



# Overview of Work

## Project Types Include but not Limited to:

- <sup>a</sup> Painting, Drywall, Tenant Improvements, Concrete
- <sup>a</sup> Electrical Equipment Repairs / Replacement, Roofing
- <sup>a</sup> Controls Improvements / HVAC Replacement and Upgrades
- <sup>a</sup> Lighting Retrofits and Replacements, Parking lot improvements

## Project Areas:

- <sup>a</sup> County Wide: Jail, Juvenile Center, Courts, Parks, Health Dept., Social Services, Libraries, Government Center, Transportation

## Projected Size Of Projects:

- <sup>a</sup> Valued at \$50,000 minimum, up to \$1,000,000 (See advertisement)



## JOC Background

- JOC was invented by Harry Mellon
- 1st JOC awarded at NATO Military Headquarters in 1982
- 1st Federal JOC awarded in 1985 by US Army Corps of Engineers
  - <sup>a</sup> Army Corps of Engineers initially responsible for providing JOC pricing documents to all Federal Agencies
  - <sup>a</sup> Army Corps of Engineers stopped providing JOC pricing documents in 1994
- Over \$1.5 Billion of Construction Volume Performed through JOC Annually

# Job Order Contracting Definition

## Job Order Contracting is:

- **Firm, fixed price:** all tasks are listed in a CTC® (Construction Task Catalog) with descriptions, unit of measure, and a price to install or demolish the task
- **Competitively bid:** all bidders submit a set of adjustment factors to the fixed prices in the CTC®.
- **Indefinite quantity:** the contract is for fixed term and has a guaranteed minimum dollar value and an estimated maximum dollar value. No projects are identified at the time of bidding
- **Contract:** The Agreement between owner and contractor inclusive of all contract documents, CTC®, and Technical Specifications.



# Contract Documents

A Job Order Contract Consists of three Main Documents:

- Construction Task Catalog: Per County of San Luis Obispo Standards.
- Technical Specifications for Each Task (2004 Master Format)
- General Conditions and JOC Special Conditions







# Construction Task Catalog<sup>®</sup>

- A Catalog of over **240,000** Prepriced Construction Tasks
- A Price Established for Each Task
- Price Only Includes Prevailing Labor Rates, Local Material & Equipment Prices for County of San Luis Obispo.
- The Tasks Represent the “Scope of Work” for the Contract

| MINOR<br>CSI UOM DESCRIPTION  |  | 08000 - Doors And Windows |                         |
|---|--|---------------------------|-------------------------|
|   |  | TOTAL DIRECT<br>UNIT COST | DEMOLITION<br>UNIT COST |
| <b>08000 Doors And Windows</b>  |  |                           |                         |
| <b>08700 Hardware And Specialties</b>   |  |                           |                         |
| Note: Demolition Of Doors And Windows Include All Associate Hardware And Devices. For Individual Hardware Removal/Replacement Use The Appropriate Demolition Line Items. Includes Preparing Door For Hardware.  |  |                           |                         |
| <b>08710 Finish Hardware</b>  |  |                           |                         |
| Note: All Hardware Is Grade 1 Complying With BHMA Hardware Quality. Standard: Light gauge metal, chrome or brass plated with tile or no pattern. High Brass, chrome over brass, or nickel over brass with minimal detail, or plated with ornate detail. Deluxe: Brass, chrome over brass, or nickel over brass with moderate detail. Custom: Brass, chrome over brass, or nickel over brass with ornate detail. |  |                           |                         |
| <b>08710 2500 Door Closers</b>  |  |                           |                         |
| 08710 2506 EA Surface Mounted Heavy Duty Door Closer Modern Type Parallel Arm   |  | 143.02                    | 8.69                    |
| 08710 2010 For Oxidized Bronze, Oil Rubbed, Add   |  | 29.00                     |                         |
| 08710 2038 For Stainless Steel, Add   |  | 53.31                     |                         |
| 08710 2041 For Delayed Action, Add  |  | 22.25                     |                         |
| 08710 2042 For AYB (\$4 Per Push), Add  |  | 28.00                     |                         |
| 08710 2043 For Extra Heavy Duty Parallel Bracket, Add   |  | 20.00                     |                         |
| 08710 2044 For Fusible Link Arm, Add  |  | 8.75                      |                         |
| 08710 2045 For Shock Absorbing Arm, Add   |  | 20.00                     |                         |
| 08710 2056 For Satin Brass Plated Clear Coated Finish Deduct  |  | -11.63                    |                         |
| 08710 2068 For Chrome Plated Finish Add   |  | 14.54                     |                         |

## Technical Specifications

- **Coordinated Construction Task Catalog and Technical Specifications Gives Bidders Confidence in the Pricing Structure of the JOC Process**

# CRITICAL POINT!

- To realize optimum savings and control, it is essential that each construction task be tied to a concise technical specification!!!

| 08000 - Doors and Windows   |      | TOTAL DIRECT   | DESCRIPTION |
|---|------|--|-------------|
| 08  |      | UNIT COST  | UNIT COST   |
| 08000 Doors and Windows   |      |  |             |
| 08700 Hardware and Specialties  |      |  |             |
| Note: Remillion CT Doors and Windows Include All Associated Hardware and Devices. For Individual Hardware Removal/Replacement Use The Associated Description Line Items. Includes Preparing Door For Hardware   |      |  |             |
| 08710 Finish Hardware   |      |  |             |
| Note: All Hardware Is Grade 1 Complying With B618M. Hardware Quality: Standard: Light gauge metal, chrome or brass plated with nickel or no pattern. High Brass, chrome over brass, or nickel over brass with minimal detail, or plated with anode detail. Deluxe: Brass, chrome over brass, or stainless steel with intricate detail. Custom: Brass, chrome over brass, or nickel over brass with no hole detail |      |  |             |
| 08710   | 2500 | Door Cylinders   |             |
| 08710   | 2600 | EA Surface Mounted Heavy Duty Door Cross Modern Type Patented Item | HD 32       |
| 08710   | 2610 | For Goodrich Brackets Oil Resistant Aid                            | 29.30       |
| 08710   | 2630 | For Stainless Steel Aid  | 39.31       |
| 08710   | 2641 | For Stainless Steel Aid  | 28.50       |
| 08710   | 2642 | For 4140 (Oil Resistant) Aid                                       | 29.30       |
| 08710   | 2643 | For 4140 Heavy Duty Patented Bracket Aid                           | 25.30       |
| 08710   | 2644 | For Adjustable Lock Aid, ASB                                       | 8.75        |
| 08710   | 2645 | For Shock Absorbing Aid, ASB                                       | 20.00       |
| 08710   | 2650 | For Solid Brass Plated Clear Coated Finish-Door                    | 14.52       |
| 08710   | 2650 | For Chrome Plated Finish-Aid                                       | 14.50       |

**Construction Task |**  
Catalog and Technical  
Specifications have  
coordinated numbering  
system for easy  
reference.

## SECTION 08710 - FINISH HARDWARE

- 1.1 DESCRIPTION OF WORK
- A. This specification covers the furnishing and installation of material for door hardware.
- 1.2 GENERAL
- A. Submittals
1. Product Data: Include installation details, material descriptions, dimensions of individual components and profiles, and finishes.
- 1.3 PRODUCTS
- A. Scheduled Door Hardware: Provide door hardware for each door to comply with requirements in this Section.
- B. Closures, General
1. Standards: Comply with the following:
    - a. Closures: SH/A A155.4.
  2. Surface Closures: SH/A
    - a. Grade 1, unless Grade 2 is indicated.
- C. Closures
1. Modern-Type-with-Cover Surface Closures: Rack-and-pinion hydraulic type; with adjustable speeds and latch speeds controlled by key-operated valves; with forged-steel main worm enclosed in cover indicated; complying with the following:
    - a. Mounting:
      - 1) Hinge side.
      - 2) Opposite hinge side.
      - 3) Parallel arm.
      - 4) Bracket.
    - b. Type: Regula arm.
    - c. Backcheck: Effective between 90 and 95 degrees of door opening.
    - d. Factory-piston.
    - e. Cover Material: Aluminum.
    - f. Closing Power Adjustment: At least 50 percent, unless directed otherwise to be 25 percent, OR 15 percent, more than minimum tested value.



# Contract Terms, Conditions & Bid Documents

## – Project Manual

- a Bidding Requirements**
  - É Notice to Bidders
  - É Instruction to Bidders
  - É Bid Form
- a Contract Requirements**
  - É Agreement
  - É Bonds/Insurance
  - É General Conditions
  - É Supplementary Conditions
- a General Requirements**
  - É Quality Control
  - É Close-out Procedures

## JOC Specific Clauses

- ü Overview of Contract
- ü Procedure for Ordering Work
- ü Proposal Preparation
- ü Updating Adjustment Factors

## Modified Standard Clauses

- ü Scope of Work
- ü Extra Work
- ü Time Extensions
- ü Liquidated Damages
- ü Substantial Completion
- ü Payment
- ü Close Out



## Pre-Bid Guidance to Bidders

- This Solicitation is for **a (1) General Contractor**
  - <sup>a</sup> Work is to be Performed County Wide
  - <sup>a</sup> Each Bidder may be Awarded only One (1) of the Contracts
- Prior to bidding SLO County cannot:
  - <sup>a</sup> Identify or commit to any specific project or location
  - <sup>a</sup> Identify or commit to any specific quantities or tasks in the catalog of construction tasks
- Job Order Contracts have a One (1) Year Fixed Term
- SLO County has established a guaranteed minimum dollar value of **\$50,000**
- SLO County has established a potential maximum contract value \$1,000,000 **(Option up to Max Allowable by PCC 20128.5 equal to approximately \$4.400,000 +/- by CPI)**



## Bid Requirements

- Award Based Upon Competitive Bid
- Must Bid Four Adjustment Factors -
  - a Normal Working Hours; 7:00 AM to 5:00 PM Monday-Friday (under \$25K)
  - a Other than Normal Working Hours; after Hours Monday-Friday; All Day Saturday, Sunday and County Holidays (under \$25K)
  - a Normal Working Hours; 7:00 AM to 5:00 PM Monday-Friday (**over \$25K**)
  - a Other than Normal Working Hours; after Hours Monday-Friday; All Day Saturday, Sunday and County Holidays (**over \$25K**)
- Same Adjustment Factors Apply to All Tasks in the CTC
  - a Adjustment Factors Must Include All Indirect Costs and Profit
  - a Adjustment Factors Fixed for the Duration of Contract Term
- Lowest Combined Adjustment Factor From **a** Responsive, Responsible Bidder, Wins





# JOC Execution Procedures

- **Joint Scope Meeting**
  - a Owner & contractor jointly develop Detailed Scope of Work
  - a Owner determines final scope and level of documentation required
  - a A/E & subcontractors may also be part of scoping team
- **Proposal**
  - a Contractor prepares Price Proposal
  - a Cost of each project = unit prices x quantities x adjustment factor
  - a Price is fixed, always based on unit prices, never negotiated
  - a Contractor also develops schedule, list of subcontractors, subcontractor compliance, submittals, etc...
- **Review**
  - a Contractor's price proposal & other information is reviewed & approved
- **Lump Sum Job Order**
  - a Issued by owner
  - a Risk of performance remains with Contractor
  - a No adjustment of quantities after Job Order issued





## JOC - Why It Works

- The Job Order Contract is a series of individual projects or job orders
  - <sup>a</sup> Contractor is guaranteed only a minimum amount of work
  - <sup>a</sup> If minimum value is met, no further work has to be given to contractor.
- Contractor has a continuing financial incentive to provide:
  - <sup>a</sup> **PROJECT SUPERVISION**, Responsive services
  - <sup>a</sup> Quality work, Competent workforce, Skilled Laborers
  - <sup>a</sup> **Accurate Proposal Building and submissions to owner 1<sup>st</sup> time.**
- Future job orders tied to contractor performance
  - <sup>a</sup> No obligation to give a specific project to JOC contractor
  - <sup>a</sup> Key point - profit for prime JOC is a function of volume
- JOC is truly a performance based contract
- **JOC is not exclusive, projects can be bid out by the County.**
- **JOC does not replace traditional methods of accomplishing work**



## SLO County JOC Program

- CTC Based on San Luis Obispo County Prevailing Wages
  - a Contractors Must Pay Prevailing Wages
- Provide Bonds in the Following Amounts: (see bid documents)
  - a **Bid Bond - \$25,000**
  - a **Payment Bond- \$1 Million**
  - a **Performance Bond - \$1 Million**
  - a **Maintenance Bond - \$75,000**
  - a **Workers Compensation - \$1 Million**
  - a Insurance Held On Overall Contract
  - a In Accordance with Specification Section 00600.
  - a Contractor is NOT required to Maintain Builder's Risk Insurance, per the contract document.
- Differing Site Conditions
  - a Treated As Additional Job Order
- No Right of Refusal to Perform Work
  - a Element of Default





## SLO County JOC Program

### – Retention

- a Normally Released After Final Acceptance of All Work and All Other Required Documentation for Each Job Order Has Been Received. (5%)

### – Liquidated Damages

- a **Lack of Supervision on Projects will result in LD's**
- a Determined on Each Job Order
- a Defined on the Request for Proposal by project.

#### 8.3 Work Not Completed in Time and Assessment of Liquidated Damages:

### – Payment

- a One Payment for Projects Completed Within 45 Days
- a Partial Payment for Other Projects based on Schedule of Values as agreed upon by the Project Manager and Contractor.



# SLO County JOC Program

## – Federally & State Funded Projects



- Applicable FAR and other Governing Regulations shall be adhered to
- Subcontractors Reviewed On A Job Order Basis
- Community Development Block Grant (CDBG) Funds May be Used and Are Subject to the Requirements of Section 3 of the Housing and Urban Development Act of 1968

**See Sections 11 and 12 of Supplemental Conditions**

# SLO County JOC Program

## – Summary of last 6 Contracts

| <u>Contract</u> | <u>NTP \$</u> | <u># of Projects</u>           |
|-----------------|---------------|--------------------------------|
| – PJOC08        | \$1.89 M      | 61 projects                    |
| – PJOC09        | \$782 K       | 19 projects                    |
| – PJOC10-1      | \$318K        | 8 projects                     |
| – PJOC10-2      | \$2.6 M       | 74 projects                    |
| – PJOC11        | \$1.16 M      | 29 projects                    |
| – PJOC12        | <b>\$1.5M</b> | <b>30 projects (estimated)</b> |

Approximate reflection of actual dollars and projects

– Average size +/- = \$ **37,000** (**221 projects total**)

– Range from \$5,000 – \$280,000



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## **Part II: Analyzing the Bid Process**



# The Construction Task Catalog®

- Brief Overview of the Construction Task Catalog®
- Analyzing the Construction Task Catalog®



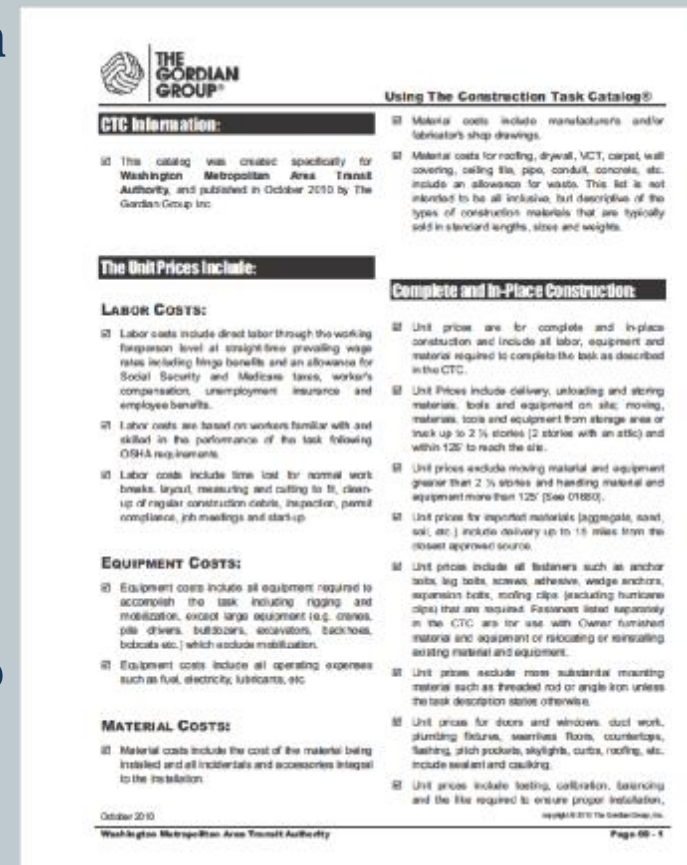
## CTC Structure

- CTC Is Divided Into the **New Master Format™ 2004 Sections 1 through 49 in Accordance With the Construction Specifications Institute (CSI)**
- Two Unit Costs
  - a One for Installed Costs
  - a One for Demolition Costs (if Applicable)
- Some Unit Costs Have Modifiers Which Qualify the Task and Alter the Unit Price
  - a Quantity Adjustments
  - a Position of Work-confined or Restricted Working Space
  - a Associated Items
  - a Owner Supplied Material - Carpet



# What Is or Is Not Allowed ?

- The CTC states the “rules” for proposal development in “Using the Construction Task Catalog”
  - a What is Included in Unit Prices
  - a What is Included in Contractor's Adjustment Factors
  - a General Interpretations
- Give Owner and Contractor a clear understanding on how to procure construction work from the CTC
- Notes throughout book detail what is included in given task
- Modifiers are used to account for changes to tasks
  - a Large or Small quantities, Roof Warranties, etc.
- Reducing unknowns for Contractor results in lower prices for Owner







## **CTC<sup>®</sup> Structure**

### **Read “Using the Construction Task Catalog”**

Pages 00-1 thru 00-7

- Read Section and Notes for Description of What the Unit Cost Includes**
  - <sup>a</sup> Paint Prices Include: Prep Work, Cutting In, Taping, Floor Protection, Etc.....**
- Each Task Is Listed Only Once and Positioned Where It Is First Mentioned**
  - <sup>a</sup> Many Selective Demolition Items Are in Site Work**
- Assembly Versus Component Prices**
  - <sup>a</sup> Always Use Assembly Costs Were Applicable: Concrete Walks, Concrete Slabs, Chain Link Fencing, Etc.....**



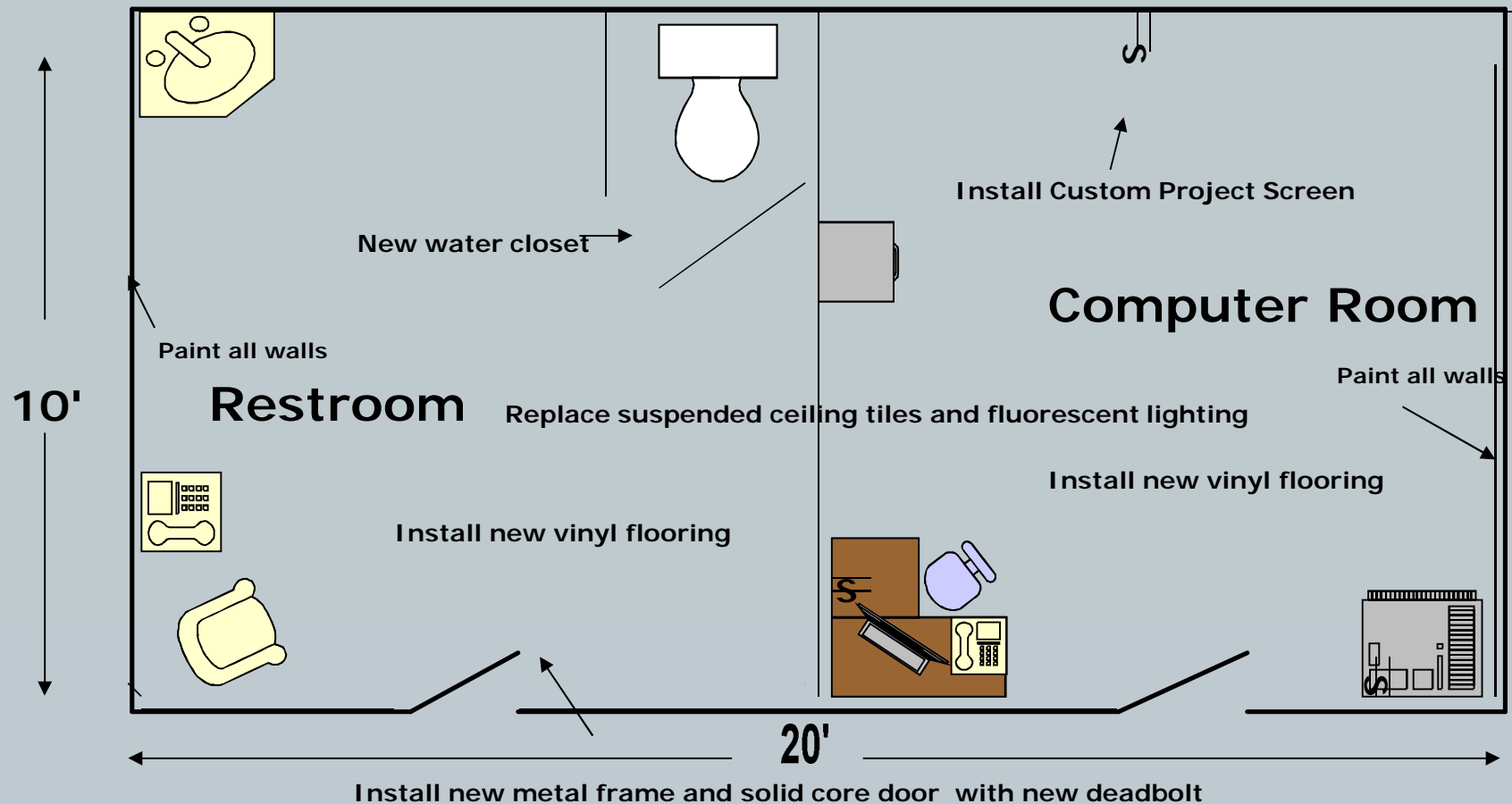


# Analyzing the CTC

- Preferred Method
  - a Develop a Representative Project
  - a Get Sub Quotes
  - a Add Overhead and Profit
  - a Compare With Price From the CTC
  
- Other Methods
  - a Evaluate a Sampling of the Anticipated Items
  - a Get Subs to Evaluate Their Section of the CTC
  
- Do Not Rely Upon Evaluations of Other CTC's
  - a This Is a New Contract and a New Construction Task Catalog®



## Preferred Method – Scope of Work





## **Preferred Method – Scope of Work**

- Prime/Paint All Interior Walls & Doors
- Provide & Install New Water Closet
- Remove & Replace Vinyl Flooring With New 4" Cove Base (Floor Tile Does Not Contain Asbestos)
- Provide & Install Electrical As Per Plan
- Remove/Replace Suspended Ceiling Tiles
- New Lay-in Fluorescent Light Fixtures-4 Tube
- Remove/Replace Solid Core Door w\Metal Frame in Restroom w/New Deadbolt & Door Closure
- Provide & Install Loniflex Automatic Roll-up Projection Screen & Projector



## Calculating the Adjustment Factor

- Cost From the CTC=\$13,614.67
- Actual Direct Costs (Sub or In-house)
  - a General Conditions = \$ 387.89
  - a Doors/hardware = \$ 900.98
  - a Finishes = \$3,234.62
  - a Mechanical = \$1,012.13
  - a Electrical = \$5,132.78
  - a Projector = \$3,562.30
  - \$14,230.70
- CTC Value =  $\$13,614.67 / 14,230.70 = 0.9567$
- This Means the CTC Provides Only 95.67% of YOUR DIRECT COSTS



# Calculating the Adjustment Factor

- **Overhead Costs - 6% to 12%**
  - a **Scoping**
  - a **Proposal Development**
  - a **Site Supervision and Management**
  - a **Bonds**
  - a **Insurance**
  - a **Vehicles**
  - a **Home Office Support**



## Calculating the Adjustment Factor

- Cost
  - <sup>a</sup> Direct Cost = \$ 14,230.70
  - <sup>a</sup> CM Costs @ 12% = \$ 1,707.68
- Profit
  - <sup>a</sup> @ 6% (of Direct Cost) = \$ 853.84
- Total Value \$ 16,792.22
- CTC Cost \$13,614.67
- Total Value Divided by CTC Cost
  - <sup>a</sup>  $(16,792.22 / 13,614.67 = 1.2333)$
- Adjustment Factor = 1.2333
  - <sup>a</sup> For This Project Only



# Evaluating the Adjustment Factor

|         |   |                     |
|---------|---|---------------------|
| Line 1. | Normal Working Hours (under \$25K)                              | 1. 1.2333           |
| Line 2. | Multiply Line 1 by 15%  | 2. 0.1849           |
| Line 3. | Other than Normal Working Hours (under \$25K)                   | 3. 1.3500           |
| Line 4. | Multiply Line 3 by 5%   | 4. 0.0675           |
| Line 5. | Normal Working Hours (over \$25k)                               | 5. 1.3000           |
| Line 6. | Multiply Line 5 by 60%  | 6. 0.7800           |
| Line 7. | Other than Normal Working Hours (over \$25k)                    | 7. 1.4200           |
| Line 8. | Multiply Line 7 by 20%  | 8. 0.2840           |
|         |   |                     |
| Line 9. | Add Lines 2, 4, 6, and 8<br>(This is the Award Criteria Figure) | <u>ACF = 1.3164</u> |



# Adjustment Factor Considerations

- Contractor Performance Directly Related to Volume of Work:
  - a Quality, Timely Completion
  - a Responsive, Defendable Proposals
  - a Demonstrated Performance
- Capacity of Subcontractors
- Pay Higher Prices for Workmanship
  - a Better Quality
  - a Timely Completion
- Cost to ‘Bail Out’ And/or Finance Subs
- JOC Is a Performance Based Contract
  - a Maximize Maximum Value of the Contract by Performing at a High Level





# Adjustment Factor Considerations

- Price Escalations During Contract Term
- Evaluating the CTC
  - <sup>a</sup> Is the Book Balanced - Minimize the Risk of Losers
  - <sup>a</sup> Accuracy of Evaluation?
- A Low Adjustment Factor Leads To
  - <sup>a</sup> Adversarial Relationship
  - <sup>a</sup> Reduced Volume
  - <sup>a</sup> No Option Period
  - <sup>a</sup> Lost Profitability
- There Are NO Change Orders to Improve the Margin
- Prepare Defendable and Complete Proposals
  - <sup>a</sup> Price Proposal, Schedule, Drawings/sketches, Complete Submittal Packages and Subcontractor Listing



# Adjustment Factor Considerations

- **Staff to Match Volume**
  - a Must Be Responsive to San Luis Obispo County
  - a Professionally Competent
  - a Management Skills / Supervision Skills
  - a Problem Solvers With People Skills
  - a Team Members
- **Staff for Procedures**
  - a Scoping
  - a Proposal Development and Review
  - a Construction
- **Be Knowledgeable in Computer Operations**
  - a Electronic Transfer of Data and Drawings
- **Must Be Able to Develop a Non-adversarial Partnership**



## Possible Events

- Preparation of Proposals for Some Projects That Will Be Canceled
- Variable Profit Margins on CTC Items and Projects
- Long Lead Time Before Receiving a Positive Cash Flow
- Interruptions in Work Flow
- Delays in Job Order Issuance due to Budget Procedures



# The Rewards

- JOC Can Be Profitable
  - a Correlated to Contractor's Performance
- Continuing Relationship
  - a Partnership
  - a Don't Have to Chase Work
- Professionally Rewarding
  - a Partner in Project Development
  - a Opportunity to Apply Construction Expertise





## How to Obtain Bid Package

- The Bid Package / Contract Documents May **be picked up today here, or at 1087 Santa Rosa, 1<sup>st</sup> floor reception desk.**
- Must Be ‘B’ Licensed Contractor
- The Bid Package Contains:
  - <sup>a</sup> County Bid Documents on CD-Rom
  - <sup>a</sup> CTC and Technical Specifications on CD-Rom
    - Mark Wilwand 805-781-5210
    - Project Manager(s)
    - Fax: 805-781-5215



# Questions

## Bid Closing

**June 13, 2013  
3:00 PM**

- County of San Luis Obispo
  - General Services Agency
- Government Center, Clerk Records Office
  - San Luis Obispo, California
- **Per the Advertisement and Bid Package**



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GROUP**

# Questions

**The Gordian Group**  
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